

MEETING MINUTES CITY OF MILPITAS

Minutes of: Special Meeting of Milpitas City Council
Date: Thursday, October 5, 2017
Time: 6:30 PM Closed Session (scheduled time)
7:00 PM Open Session
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Tran called the special meeting to order at 6:31 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Grilli, Councilmembers Nuñez and Phan

ABSENT: Councilmember Barbadillo was absent at roll call. He arrived for Closed Session.

CLOSED SESSION

City Council convened in Closed Session to discuss litigation matters.

City Council then convened in Open Session at 8:22 PM with all members present.

ANNOUNCEMENT

City Attorney Chris Diaz stated there was no reportable action out of Closed Session.

Vice Mayor Grilli remarked on the direction given to staff on Tuesday, October 3 to look at conversion of industrial lands to housing. She requested that it would include conversion of commercial space to housing use, also.

PUBLIC FORUM

None.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

City Attorney Diaz asked Councilmembers if they had any personal conflicts of interest or reportable campaign contributions. None were reported.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as amended

Vice Mayor Grilli wanted to move items no. 1 and no. 5 to be heard prior to all others.

Mayor Tran requested to move item no. 4 (homeless strategy) to the next regular meeting.

Motion/Second: Vice Mayor Grilli/Councilmember Nuñez

Motion carried by a vote of: AYES: 5
NOES: 0

Eight agenda items that had been carried over from the October 3 regular meeting agenda to this one were again not heard. These would be carried forward to the next regular City Council meeting agenda on October 17:

3. List of Council Items chart
4. Mayor's Homeless Strategy
6. Discussion on Commissions
7. Resolution – solar rooftop
8. Resolution – classification
9. Amendment No. 1 – SCS

10. Agreement – RMC Water
11. Amendment No. 1 – RWF

1. City Budget Process

Finance Director Will Fuentes presented ideas to allow for the City Council to include more public and community input into the annual budget process next year, following meetings held with the Council's Finance Subcommittee. He presented a potential schedule with new approaches, including the use of a consultant to begin planning for additional outreach for the FY 2018-19 City budget.

Councilmember Phan inquired if there was a way to know how much the city's budget had already spent, as the year went on. Mr. Fuentes said staff was currently working to do that via a program called "opengov." Mr. Phan would like for the Council to know and understand all funding sources. He looked forward to budget projections. He'd like to review justifications for all budget proposals and to have performance measures by department.

Vice Mayor Grilli thanked the Finance Director for his comprehensive plan, including the budget education workshop in November. Facilitating budget strategic planning was good, too, after community input would be received. Regarding online processes, she asked if the costs would be brought to Council later and staff replied yes.

Councilmember Nuñez was happy with the proposed process. He asked staff to look at three more outside groups with regard to budget preparation: other government agencies, businesses including large corporations, and employees (City staff). He agreed with his colleague Councilmember Phan that there should be some kind of ongoing reporting back to Council, to stay on top of the status of the budget throughout the year.

Councilmember Phan was interested in the status of the City's bonds and if there were any re-financed ones. Mr. Fuentes responded that at the next City Council meeting, he would bring proposals to Council to re-fund (refinance) some Certificates of Participation (bonds). He stated that over an 8–10 year timeframe, it would reduce costs significantly.

Councilmember Nuñez stated he wanted to move ahead with staff's proposed plan, including the November 4 date for a budget planning workshop. Mr. Nuñez thanked Mr. Fuentes and Vice Mayor Grilli for efforts at the meeting.

Motion: to approve staff recommendations regarding the next Fiscal Year city budget, which include: (1) scheduling a budget education workshop on Saturday, November 4 to be led by staff, (2) to incorporate a good deal of community input prior to the FY 2018-19 budget preparation including ways to provide comments online on the City's website and community workshops, (3) facilitator-led budget strategic planning session in early 2018; and, (4) monthly status updates provided to City Council by the Finance Director

Motion/Second:

Councilmember Nuñez/Vice Mayor Grilli

AYES: 5

NOES: 0

**2. Contract Authority
(Ordinance No. 289.1)**

Finance Director Will Fuentes discussed contract authority and a possible new ordinance to amend the City Manager's signing authority amount, currently \$100,000. He recommended maintaining that figure. He described additional monthly reporting of contracts to the Council Finance Subcommittee and on the status of city finances, in the proposed ordinance for transparency. Mr. Fuentes asked for action by Council on the draft ordinance.

Councilmember Phan agreed with the monthly reporting. He asked if the contracts would be available to the public. Mr. Fuentes said staff would provide a description of the contract, the amount, the company and the City department requesting the service or product. Then, if Council chose to pull one contract out, he would consult with the City Attorney about what can properly be provided.

Mayor Tran would like to get a monthly report with a quick summary of the contract, and what it was for and to view more than a line item on a statement.

Councilmember Nuñez wanted to confirm current practices by staff. Mr. Fuentes said that City Councilmembers have been provided with a copy of the Accounts Payable check run each month. Mr. Nuñez wanted to see information in depth, to know what each contract was for.

City Attorney Diaz responded to comments from the Mayor, about remarks on penalties to the City Manager for not reporting monthly on contracts.

Purchasing Agent Chris Schroeder came to the podium, expressing that staff was presently considering a new software for tracking and storing all contracts in the future.

Councilmember Phan wanted to know in the ordinance, when advertising bids, would the City eliminate ads in newspaper. Mr. Schroeder replied no, those would not be eliminated, rather it was one of three options. Mr. Phan stated that he believed the City Council should have the right to reject or modify a contract, if it did not make sense. Mr. Fuentes responded.

Mr. Diaz described the current process, stating that all contracts go for review and approval to the Finance Director and the City Attorney. Councilmember Phan wanted that written into the ordinance and the City Attorney said he could add that protocol to the ordinance language.

Councilmember Phan inquired about agreements with consultants for professional services, and if there was a requirement for proof of work (i.e. a deliverable product). Mr. Diaz responded that the City must get a clear scope of services with any contract. Mr. Phan felt a consultant would have to give some documentation on the service that was provided.

Councilmember Phan wanted in the ordinance that if a deliverable item were not delivered, the City could cancel the contract. Mr. Schroeder remarked that that was suitable to add in the contract language, but perhaps not in the ordinance. The City Attorney said he could add that language to a contract template and offered suggested new language for the ordinance on required signatures.

Councilmember Nuñez asked the Finance Director for a definition of operational sufficiency. He discussed back and forth with staff about whether all contracts could go before the City Council, instead of the City Manager.

Mayor Tran remarked that the use of public funds was a sensitive matter. He commented on the \$100,000 contract authority amount and wanted the number to go down by half to \$50,000. Councilmember Nuñez agreed.

Councilmember Phan asked about a gifts policy. Mr. Diaz replied that the City did have a policy with a prohibition on receipt of any gifts, with a minor exception of food items that were to be shared by all.

Mayor Tran wanted to make a motion to proceed with the revised ordinance for the City Manager's authority with a \$50,000 contract limit, tied to regular reporting at the City Council Finance Subcommittee, to have a protocol on signing contracts by department and to incorporate appropriate language into City contract templates.

City Attorney Chris Diaz then read aloud the title of Ordinance No. 289.1 "An Ordinance of the City Council of the City of Milpitas Amending Chapter 2 and Chapter 4 of title I of the Milpitas Municipal Code Relating to Purchasing and Contract Authority."

Motion: following the reading of the title, move to waive the first reading beyond the title and introduce Ordinance No. 289.1, with modifications noted and to return to Council

Motion/Second:

Mayor Tran/Councilmember Nuñez

Motion/Second:

AYES: 4
NOES: 0
ABSENT: 1 (Grilli)

At the conclusion of the vote on this item, Mayor Tran said the meeting was concluded.

5. Housing Issues

This item was heard following agenda item no. 1.

Councilmember Barbadillo spoke about the significant need for affordable housing in Milpitas and read aloud some current data and figures. He wondered if there was a source to have future developments to define where affordable housing units must be built. He sought a new ordinance to impose fees on developers via an impact fee and in-lieu fees. He wanted see how Council could impose such fees. Define what number of units could be required to impose on developers a new fee to effect more affordable units built in this city. Also more could be done with a density bonus, for example. This type of housing needed funding sources and the city must be realistic on new fees. Also, there was a housing trust fund in some agencies.

City Attorney Diaz commented on a mandate on affordable housing units required for developers, and commented on legislation. The City cannot necessarily mandate what the rent costs would be, and he noted Assembly Bill 1505 that may have an impact. He remarked that in lieu fees could be required versus providing the units. Impact fees, meanwhile, were totally separate. Those would require an impact fee study first, and staff would plan to do that.

Planning Director Brad Misner had heard loud and clear the top priority of affordable housing, a very timely topic. He commented on what Councilmember Barbadillo had addressed and understood the need for strengthened housing policy here.

Councilmember Nuñez thanked his colleague for his timely and insightful his remarks. There were a lot of tools in the toolbox and it was important to understand where the City wanted to be. There was still room for growth in Milpitas, as it was not built out yet. He wanted to know more in detail what the latest legislative bills' impact on Milpitas would be.

Councilmember Phan would appreciate input from stakeholders and to conduct outreach. Ways to fund housing must be determined. For example, if a parcel or home was vacant, he asked would the property owner pay fees. Mr. Diaz said that was difficult to consider. Fees were imposed on new development, not vacant land. Mr. Phan wanted to look at fees charged to owners per year to go into affordable housing. He asked about infill projects and if those potential sites could be identified. Mr. Misner responded, that could be useful. Councilmember Phan asked him to bring this idea back at a future meeting.

Councilmember Phan next inquired about accessory building units. Mr. Misner noted there were state regulations on this that the City must abide by. Mr. Phan mentioned the Housing Trust, a private program. He asked staff if zoning districts were aligned with the General Plan and staff replied there was a large amount of consistency. In the General Plan update process, there will be a land use plan and a map, to be consistent. Mr. Phan urged staff to relax regulatory burdens where possible and to streamline processes.

Councilmember Barbadillo said it was time to act now. He wanted staff to come back with something concrete at the next Council meeting.

Councilmember Nuñez said he did not see the rest of the community in the audience, who should be here to help shape what some of these things should be. He urged looking at what was in place for residents and those who build facilities. Bring an ordinance to City Council, when ready.

Councilmember Marsha Grilli departed the meeting shortly before 10:00 PM.

Councilmember Barbadillo read the findings/recitals in the recently adopted Ordinance on affordable housing preservation.

Councilmember Phan wanted certain classifications for the mandate to be applied. A proposed new fee should be levied on large development projects but maybe not on small infill projects.

Mayor Tran invited speakers from the audience.

Sandy Perry, from the Affordable Housing Network of Santa Clara County, appreciated Councilmember Barbadillo's sense of urgency. He'd been working with Sunnyhills tenants. While some measures might be controversial, the Council needed public support since groups like the Building Industry Association would be against some of the proposals.

Ben Vo supported Mr. Perry's comments earlier. He was a student of urban planning.

Tran Le, Sunnyhills apartments resident, asked to please help him and his neighbors to not become homeless.

William Au, Sunnyhills resident, thanked Mr. Barbadillo for speaking up for affordable housing. He wanted to know if this fee would apply to Sunnyhills in the future.

Hien La, Sunnyhills apartments resident, knew how hard it was for low income people to find housing. They needed help for the residents there.

A resident at Sunnyhills wanted to remain in those apartments, along with many other long term residents. He appreciated efforts by the Council.

Joshua Barousse, a resident involved with the At Home group, spoke of the jobs-housing-residents balance. There was a need to add more low-income residences for those living here and to add inclusionary housing units.

Councilmember Nuñez would like to have a presentation or receive more information from Silicon Valley At Home and perhaps to get involved with that group, as a Council. If appropriate, the City could consider joining the organization.

City Attorney Diaz reported to the Council he would work closely with staff of the Planning Department. Then, staff could come back with an ordinance for inclusionary impact fees, as per state legislation, to allow setting such appropriate fees.

No motion was made or vote taken on this discussion item.

The City Council next moved to agenda item no. 2.

**REPORTS of MAYOR &
COUNCILMEMBERS**

None given.

ADJOURNMENT

Mayor Tran adjourned the Special City Council meeting at 11:35 PM.

The foregoing minutes were approved by Milpitas City Council on October 17, 2017.

Mary Lavelle
Milpitas City Clerk